

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, MS 19-74 Sacramento CA 95814



February 26, 2004

Dear New Foster Family Agency Provider:

Thank you for your request for information on how to obtain a Foster Family Agency (FFA) rate from the California Department of Social Services (CDSS). The CDSS sets rates for FFA programs that accept children eligible to receive Aid to Families with Dependent Children-Foster Care (AFDC-FC) funding. In order to receive a rate, you must submit a complete rate request to the CDSS Foster Care Rates Bureau (FCRB) for review and approval.

**FFA Regulations**

The FFA rate setting regulations can be found in Manual of Policies and Procedures (MPP) Section 11-403, which provides details on how rates are established and the rate request process. In addition, please review MPP Section 11-405 regarding financial audits, and MPP Section 11-430 regarding the administrative review process. It is imperative that you read and understand these regulations as you will be held responsible for compliance with the regulations and for the information contained in your rate request. An online copy of these regulations can be obtained at [www.dss.cahwnet.gov/ord/default.htm](http://www.dss.cahwnet.gov/ord/default.htm), by clicking on "CDSS Manual of Policies and Procedures," and then choosing the appropriate link for the particular regulation section.

**FFA Programs**

There are two types of programs which receive different rates, treatment (or therapeutic) and non-treatment programs. A treatment program provides care and supervision to a child who has treatment needs which could not be provided in an available foster family home; a non-treatment program provides services to a child who does not need treatment services or who is pending adoption by a family. The schedule of treatment and non-treatment program rates for an FFA can be found on page three in All County Letter (ACL) 01-55 ([www.dss.cahwnet.gov/getinfo/acl01/pdf/01-55.pdf](http://www.dss.cahwnet.gov/getinfo/acl01/pdf/01-55.pdf)). The rates that are listed in that letter continue in effect to this date as no rate increases or cost of living adjustments have been provided since that time. In addition, you will find other important information regarding the rate setting process, audits, and other administrative requirements on our website at [www.childsworld.ca.gov](http://www.childsworld.ca.gov) by clicking on "Foster Care Rates and Audits."

**FFA Rate Request Package**

In order to establish an AFDC-FC rate to operate an FFA, the following rate setting forms and documents must be submitted to the FCRB for review. Complete items 1 through 11 listed below:

1. Data and Certification Sheet (FCR 1 FFA)  
(<http://www.dss.cahwnet.gov/pdf/FCR1FFA.PDF>);
2. Program Description Checklist (FCR 2 FFA)  
(<http://www.dss.cahwnet.gov/pdf/FCR2FFA.PDF>);
3. A copy of the FFA license issued by the CDSS' Community Care Licensing (CCL) Division;
4. A copy of the FFA Program Statement (LIC 9128, 1/95) as submitted to and approved by CCL;
5. A copy of the host county support letter as required in MPP Section 11-403(g)(2)(C);
6. A copy of the degree for each social worker employed by the FFA or who is in a contractual agreement with the FFA. [If a social worker does not have the required educational qualifications as specified in Health and Safety Code Section 1506(e) and California Code of Regulations Section 87065.3, an exception from Community Care Licensing is required.];
7. A copy of the agency's organization chart and all duty statements describing each type of position utilized by the agency;
8. A list containing the name, address, telephone number and position of each member of the Board of Directors, and their relationship to one another, if any;
9. An endorsed copy of your Articles of Incorporation/By-laws filed with the California Secretary of State;
10. A copy of your federal Internal Revenue Service tax exempt letter or your California Franchise Tax Board tax exempt letter designating your corporation as tax-exempt; and,
11. A declaration signed by each member of the group home's Board of Directors stating that the organization will operate during the rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit making purposes; and uses its net proceeds to maintain, improve or expand its operations.
  - a. The provider shall immediately notify the Department if the nonprofit corporation ceases to operate on a nonprofit basis.

### **Financial Audit Reports**

In accordance with state regulations contained in MPP 11-405.215(a), a nonprofit corporation that has been incorporated for fewer than 12 calendar months by the end of its first fiscal year in which it received AFDC-FC funds is not required to submit a financial audit report (FAR). However, a financial audit must be conducted of the nonprofit corporation's next full fiscal year of operation.

The FAR must be submitted to the CDSS, along with audited cost data (FCR 12 FFA form), following all regulatory requirements, including timelines as specified under MPP Section 11-405.21. The cost of the FAR may be reimbursed based on a sliding scale if the nonprofit corporation receives less than \$300,000 in combined federal funds during its fiscal year.  
Provider Name

The "Financial Audit Report Transmittal (SR 8)" form, available via the internet at <http://www.dss.cahwnet.gov/pdf/SR8.PDF>, should be used to submit the FAR, cost data (FCR 12 FFA), and any claim for partial audit cost reimbursement.

Please contact the Financial Audits and Investigations Bureau at (916) 274-0445 regarding the financial audit, the due date for your nonprofit corporation's FAR, and/or the audit cost reimbursement process.

### **Renewing Your Rate**

Once your FFA rate has been established, you will be required to renew your rate periodically. The rate is renewed by submission of a complete rate request package to the FCRB according to a schedule to be determined by CDSS. In addition to the 11 items of a new rate request listed above, you will be required to submit a Days of Care Schedule (FCR 3 FFA) with your renewal package. The FCRB sends out a "call" letter in advance of the FFA rate request due date reminding providers that it is time to renew. The letter contains information on the requirements for submitting the rate request and any change(s) in law or regulations that may affect your responsibilities related to the rate request.

### **Rate Request Submission**

Mail your completed rate request to the address listed below:

California Department of Social Services  
Foster Care Audits and Rates Branch  
Foster Care Rates Bureau  
744 P Street, M.S. 19-74  
Sacramento, CA 95814

The FCRB rates consultant staff is here to provide you with technical assistance. If you have any questions on the rate request process or forms that were not explained in this letter, or you do not have access to the Internet in order to obtain forms, please contact the FCRB at (916) 263-0441.

Sincerely,

ORIGINAL SIGNED BY

SHEILAH DUPUY, Chief  
Foster Care Rates Bureau